



## **Agricultural Marketing Service**

**[Doc. No. AMS-AMS-23-0005]**

### **2023/2024 Rates Charged for AMS Services**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Agricultural Marketing Service (AMS) is announcing the 2023/2024 rates it will charge for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, rice, and cotton and tobacco. The 2023/2024 regular, overtime, holiday, and laboratory services rates will be applied at the beginning of the crop year, fiscal year or as required by law depending on the commodity. Other starting dates are added to this notice based on cotton industry practices. This action establishes the rates for user-funded programs based on costs incurred by AMS. This year, cost-based analyses indicated the need to increase user fee rates when current rates are insufficient to cover the costs of providing the service. While cost-saving measures have and will continue to be implemented, user fee rate increases are necessary to offset rising operational costs. In cases where current rates are sufficient to cover the costs of providing the service, user fee rates remain unchanged.

**DATES:** [INSERT DATE ONE DAY AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Melissa Bailey, Associate

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**SUPPLEMENTARY INFORMATION:** The Agricultural Marketing Act of 1946, as amended (AMA) (7 U.S.C. 1621-1627), provides for the collection of fees to cover costs

of various inspection, grading, certification, or auditing services covering many agricultural commodities and products. The AMA also provides for the recovery of costs incurred in providing laboratory services. The Cotton Statistics and Estimates Act (7 U.S.C. 471-476) and the U.S. Cotton Standards Act (7 U.S.C. 51-65) provide for classification of cotton and development of cotton standards materials necessary for cotton classification. The Cotton Futures Act (7 U.S.C. 15b) provides for futures certification services, and the Tobacco Inspection Act (7 U.S.C. 511-511s) provides for tobacco inspection and grading. These Acts also provide for the recovery of costs associated with these services.

On November 13, 2014, the U.S. Department of Agriculture (Department) published in the **Federal Register** a final rule that established standardized formulas for calculating the fees charged by AMS user-funded programs (79 FR 67313). On the basis of rates calculated using these formulas, AMS is to determine the fee rates necessary to sustain program services. Every year since then, the Department has published in the **Federal Register** a notice announcing the rates for its user-funded programs.

This notice announces the 2023/2024 fee rates for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, rice, and cotton and tobacco on a per-hour rate and, in some instances, the equivalent per-unit cost. The per-unit cost is provided to facilitate understanding of the costs associated with the service to the industries that historically used unit-cost basis for payment. Fee rates will be effective at the beginning of the fiscal year, crop year, or as required by specific laws.

Rates reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits, and, if applicable, travel and some operating costs. Indirect or overhead costs include the cost of Program and Agency activities supporting the services provided to the industry. The formula used to calculate

these rates also includes operating reserve, which may add to or draw upon the existing operating reserves.

These services include the grading, inspection, or certification of quality factors in accordance with established U.S. Grade Standards or other specifications; audits or accreditation according to International Organization for Standardization (ISO) standards and/or Hazard Analysis and Critical Control Point (HACCP) principles; and other marketing claims. The quality grades serve as a basis for market prices and reflect the value of agricultural commodities to both producers and consumers. AMS' grading and certification, audit and accreditation, plant process and equipment verification, and laboratory approval services are voluntary tools paid for by the users on a fee-for-service basis. The agriculture industry can use these tools to promote and communicate the quality of agricultural commodities to consumers. Laboratory services are provided for analytic testing, including but not limited to chemical, microbiological, biomolecular, and physical analyses. AMS is required by statute to recover the costs associated with these services.

As required by the Cotton Statistics and Estimates Act (7 U.S.C. 471–476), consultations regarding the establishment of the fee for cotton classification with U.S. cotton industry representatives are held in the beginning of the year when most industry stakeholder meetings take place. Representatives of all segments of the cotton industry, including producers, ginneries, bale storage facility operators, merchants, cooperatives, and textile manufacturers were informed of the fees during various industry-sponsored forums.

### **Rates Calculations**

AMS calculated the rate for services, per hour per program employee, using the following formulas (a per-unit base is included for programs that charge for services on a per-unit basis):

- (1) *Regular rate.* The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours for the previous year, which is then multiplied by the next year's percentage of cost of living increase, plus the benefits rate, plus the operating rate, plus the allowance for bad debt rate. If applicable, travel expenses may also be added to the cost of providing the service.
- (2) *Overtime rate.* The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 1.5, plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.
- (3) *Holiday rate.* The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 2, plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.

All rates are per-hour except when a per-unit cost is noted. The specific amounts in each rate calculation are available upon request from the specific AMS program.

### 2023/2024 Rates

Cotton Fees					
7 CFR Part 27 – Cotton Classification Under Cotton Futures Legislation					
Subpart A - Requirements; §§ 27.80 - 27.90 Costs of Classification and Micronaire					
Cotton Standardization					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Certification for Futures Contract (Grading services for samples submitted by CCC-licensed samplers)	\$4.25/bale			X	August 1, 2023

Transfer of Certification Data to New Owner or Certified Warehouse (Electronic transfer performed)	\$0.20/bale or \$5.00 per page minimum			X	August 1, 2023
<b>7 CFR Part 28 – Cotton Classing, Testing, and Standards</b>					
Subpart A - Regulations Under the United States Cotton Standards Act; §§ 28.115 - 28.126 Fees and Costs					
Subpart D - Cotton Classification and Market News Service for Producers; § 28.909 Costs; § 28.910 Classification of Samples and Issuance of Classification Data; § 28.911 Review Classification.					
Cotton Grading					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Form 1: Grading Services for Producers (submitted by licensed sampler)	\$2.75/bale			X	July 1, 2023
Form 1 Review (new sample submitted by licensed sampler)	\$2.75/bale			X	July 1, 2023
Form A Determinations (sample submitted by licensed warehouse)	\$2.75/bale			X	July 1, 2023
Form C Determinations (sample submitted by non-licensed entity; bale sampled under USDA supervision)	\$2.75/bale				July 1, 2023
Form D Determination (sample submitted by owner or agent; classification represents sample only)	\$2.75/bale			X	July 1, 2023
Foreign Growth Classification (sample of foreign growth cotton submitted by owner or agent; classification represents sample only)	\$6.00/sample			X	August 1, 2023
Arbitration (comparison of a sample to the official standards or a sample type)	\$6.00/sample			X	August 1, 2023
Practical Cotton Classing Exam (for non-USDA employees)	Exam: \$150/applicant Reexamination: \$130/applicant			X	July 1, 2023
Special Sample Handling (return of samples per request)	\$0.50/sample			X	July 1, 2023
Electronic Copy of Classification Record	\$0.05/bale (\$5.00/month minimum with any records received)			X	July 1, 2023
Form A Rewrite (reissuance of Form 1, Form A, or Futures Certification data or combination)	\$0.15/bale or \$5.00/page minimum			X	August 1, 2023
Form R (reissuance of Form 1 classification only)	\$0.15/bale or \$5.00/page minimum			X	July 1, 2023

International Instrument Level Assessment	\$4.00/sample			X	July 1, 2023
Dairy Fees					
7 CFR Part 58 – Grading and Inspection, General Specifications for Approved Plants and Standards for Grades of Dairy Products Subpart A-Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products; §§ 58.38 - 58.46 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Continuous Resident Grading Service	\$95.00	\$116.00	\$137.00	X	Oct 1, 2023
Continuous Resident Grading Service 6pm-6am	\$105.00	\$128.00	\$151.00	X	Oct 1, 2023
Non-resident and Intermittent Grading Service; State Graders	\$120.00	\$155.00	\$190.00	X	Oct 1, 2023
Non-resident Services 6pm-6am (10 percent night differential)	\$132.00	\$171.00	\$190.00	X	Oct 1, 2023
Export Certificate Services	\$104.00/certificate				Oct 1, 2023
Equipment Review <sup>1</sup>	\$135.00	\$192.00	\$249.00		Oct 1, 2023
Equipment Review 6pm-6am <sup>1</sup>	\$148.00	\$211.00	\$249.00		Oct 1, 2023
Audit Services	\$135.00			X	Oct 1, 2023
Special Handling	\$52.00/certificate				Oct 1, 2023
Uncertified Copy of Certificate	\$12.00/copy				Oct 1, 2023
Derogation Application	\$125.00/application				Oct 1, 2023
Specialty Crops Fees					
7 CFR Part 51 – Fresh Fruits, Vegetables and Other Products (Inspection, Certification, and Standards) Subpart A - Requirements; §§ 51.37 - 51.44 Schedule of Fees and Charges at Destination Markets § 51.45 Schedule of Fees and Charges at Shipping Point Areas					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Quality and Condition Inspections for Whole Lots	\$242.00 per lot				Oct 1, 2023

<sup>1</sup> Travel costs outside the United States will be added to the fee, if applicable.

Quality and Condition Half Lot or Condition-Only Inspections for Whole Lots	\$200.00 per lot				Oct 1, 2023
Condition – Half Lot	\$185.00 per lot				Oct 1, 2023
Quality and Condition or Condition-Only Inspections for Additional Lots of the Same Product	\$110.00 per lot				Oct 1, 2023
Dockside Inspections – Each package weighing < 30 lbs.	\$0.044 per pkg.				Oct 1, 2023
Dockside Inspections – Each package weighing > 30 lbs.	\$0.068/pkg.				Oct 1, 2023
Charge per Individual Product for Dockside Inspection	\$240.00/lot				Oct 1, 2023
Charge per Each Additional Lot of the Same Product	\$110.00/lot				Oct 1, 2023
Inspections for All Hourly Work	\$116.00	\$153.00	\$190.00		Oct 1, 2023
Audit Services – Federal	\$155.00				Oct 1, 2023
Audit Services – State	\$155.00				Oct 1, 2023
GFSI Certification Fee <sup>2</sup>	\$250.00/audit				Oct 1, 2023
<b>7 CFR Part 52 – Processed Fruits and Vegetables, Processed Products Thereof, and Other Processed Food Products</b> Subpart A – Requirements Governing Inspection and Certification; §§ 52.41 - 52.51 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Lot Inspections	\$90.00	\$116.00	\$142.00		Oct 1, 2023
In-plant Inspections Under Annual Contract (year-round)	\$95.00	\$117.00	\$139.00		Oct 1, 2023
Additional Graders (in-plant) or Less Than Year-Round	\$95.00	\$121.00	\$148.00		Oct 1, 2023
Audit Services – Federal	\$155.00				Oct 1, 2023
Audit Services – State	\$155.00				Oct 1, 2023
GFSI Certification Fee <sup>2</sup>	\$250.00/audit				Oct 1, 2023
<b>Meat Fees</b>					

<sup>2</sup> Global Food Safety Initiative (GFSI) Certification Fee - \$250 per GFSI audit to recoup the costs associated with attaining technical equivalency to the GFSI benchmarking requirements.

<b>7 CFR Part 54 – Meats, Prepared Meats, and Meat Products (Grading, Certification, and Standards)</b> Subpart A - Grading of Meats, Prepared Meats, and Meat Products; §§ 54.27 - 54.28 Charges for Service					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Scheduled Grading	\$86.00	\$107.00	\$129.00	X	Oct 1, 2023
Unscheduled Grading	\$114.00	\$132.00	\$154.00		Oct 1, 2023
Scheduled Night Differential (6 pm – 6 am)	\$95.00	\$118.00	\$129.00	X	Oct 1, 2023
<b>7 CFR Part 62 – Agricultural Marketing Service Audit Verification and Accreditation Programs (AVAAP)</b> Subpart E – Fees § 62.300 Fees and Other Costs of Service					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Auditing Activities	\$165.00	\$244.00	\$253.00		Oct 1, 2023
<b>Poultry Fees</b>					
<b>7 CFR Part 56 – Voluntary Grading of Shell Eggs</b> Subpart A - Grading of Shell Eggs; §§ 56.45 – 56.54 Fees and Charges <b>7 CFR Part 70 – Voluntary Grading of Poultry and Rabbit Products</b> Subpart A - Grading of Poultry and Rabbit Products; §§ 70.70 – 70.78 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Scheduled Grading	\$68.00	\$88.00	\$106.00	X	Oct 1, 2023
Scheduled, Night Differential (6 pm – 6 am)	\$75.00	\$98.00	\$106.00	X	Oct 1, 2023
Scheduled, Sunday Differential	\$87.00	\$112.00	N/A	X	Oct 1, 2023
Scheduled, Sunday and Night Differential	\$97.00	\$124.00	N/A	X	Oct 1, 2023
Unscheduled Grading	\$99.00	\$122.00	\$147.00		Oct 1, 2023
<b>Science and Technology Fees</b>					



<b>7 CFR Part 91 – Services and General Information</b> Subpart I - Fees and Charges; §§ 91.37 – 91.45					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Laboratory Testing Services	\$110.00	\$128.00	\$147.00		Oct 1, 2023
Laboratory Approval Services <sup>1</sup>	\$188.00	\$216.00	\$245.00	X	Jan 1, 2024
<b>7 CFR Part 75 – Provisions for Inspection and Certification of Quality of Agricultural and Vegetable Seeds</b> § 75.41 General					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Laboratory Testing	\$67.00	\$97.00	\$119.00		Oct 1, 2023
Administrative Fee	\$17.00/certificate				Oct 1, 2023
Auditing Services	\$132.00/audit				Oct 1, 2023
Organization for Economic Cooperation and Development Seed Schemes for Corn Seeds	\$0.33/100 pounds				July 1, 2023
Organization for Economic Cooperation and Development Seed Schemes for Other Seeds	\$0.22/100 pounds				July 1, 2023
<b>Tobacco Fees</b>					
<b>7 CFR Part 29 – Tobacco Inspection</b>					
Subpart A- Policy Statement and Regulations Governing the Extension of Tobacco Inspection and Price Support Services to New Markets and to Additional Sales on Designated Markets; Subpart B- Requirements; §§ 29.123 – 29.129 Fees and Charges; § 29.500 Fees and charges for inspection and acceptance of imported tobacco Subpart F- Policy Statement and Provisions Governing the Identification and Certification of Non-quota Tobacco Produced and Marketed in Quota Area; § 29.9251 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Domestic Permissive Inspection and Certification (re-grading of domestic tobacco for processing plants, retesting of imported tobacco, and grading tobacco for research stations.)	\$55.00	\$64.00	\$72.00		July 1, 2023

Export Permissive Inspection and Certification (grading of domestic tobacco for manufacturers and dealers for duty drawback consideration)	\$0.0025/pound			X	July 1, 2023
Grading for Risk Management Agency (for Tobacco Crop Insurance Quality Adjustment determinations)	\$0.015/pound			X	July 1, 2023
Pesticide Test Sampling (collection of certified tobacco sample and shipment to AMS National Science Laboratory for testing)	\$0.0065/kg or \$0.0029/pound			X	July 1, 2023
Pesticide Retest Sampling (collection of certified tobacco sample from a previously sampled lot for re-testing at the AMS National Science Laboratory; fee includes shipping)	\$115.00/sample and \$55.00/hour			X	July 1, 2023
Standards Course (training by USDA-certified instructor on tobacco grading procedures)	\$1,250.00/person				July 1, 2023
Import Inspection and Certification (grading of imported tobacco for manufacturers and dealers)	\$0.0170/kg or \$0.0080/pound			X	July 1, 2023
Rice Fees					
7 CFR Part 868 – General Regulations and Standards for Certain Agricultural Commodities					
Subpart A - Regulations; §§ 868.90 - 868.92 Fees					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Contract (per hour per Service representative) <sup>3</sup>	\$75.10	\$112.70	\$150.30		Oct 1, 2023
Noncontract (per hour per Service representative) <sup>3</sup>	\$93.90	\$140.90	\$160.30		Oct 1, 2023
Export Port Services <sup>4</sup>	\$0.047/cwt				Oct 1, 2023
Inspection for quality (per lot, subplot, or sample inspection):					
Rough rice	\$55.40				Oct 1, 2023
Brown rice for processing	\$51.20				Oct 1, 2023

<sup>3</sup> Original and appeal inspection services include: Sampling, grading, weighing, and other services requested by the applicant when performed at the applicant's facility.

<sup>4</sup> Services performed at export locations on lots at rest.

Milled rice	\$43.90		Oct 1, 2023
Factor analysis for any single factor (per sample)			
Milling yield (Rough or Brown rice)	\$42.90		Oct 1, 2023
All other factors (all rice)	\$30.80/factor		Oct 1, 2023
Total oil and free fatty acid	\$54.00		Oct 1, 2023
Faxed and extra copies of certificates	\$1.90/copy		Oct 1, 2023
Stowage examination (service-on-request):			
Ship	\$43.90 (per stowage space, minimum 5 spaces per ship)		Oct 1, 2023
Subsequent ship examinations	\$43.90 (per stowage space, minimum 3 spaces per ship)		Oct 1, 2023
Barge	\$43.30/examination		Oct 1, 2023
All other carriers	\$15.60/examination		Oct 1, 2023
Aflatoxin (Rapid Test Kit)	\$39.60/test		Oct 1, 2023
All Other Mycotoxins (Rapid Test Kit)	\$45.70/test		Oct 1, 2023

**Authority:** 7 U.S.C. 15b; 7 U.S.C. 473a-b; 7 U.S.C. 55 and 61; 7 U.S.C. 51-65; 7

U.S.C. 471 – 476; 7 U.S.C. 511-511s; and 7 U.S.C. 1621-1627.

**Melissa Bailey,**

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